


11 July 1986

MEMORANDUM FOR: Acting Director of Central Intelligence  
VIA: Deputy Director for Intelligence  
FROM: Douglas J. MacEachin  
Director of Soviet Analysis  
SUBJECT: Saturday Session

1. I have read and--as you can see from our discussions on Wednesday--I agree pretty much with everything in the "Points for Saturday Seminar" memo that Fritz sent you. As you know, Bob Blackwell was invited to attend and offer his views to a "State Department-only" seminar Wednesday evening; it was chaired by Secretary Schultz. The attached is Bob's summary of some of the points raised by the Secretary and others at that session, and you may see some of the same in the agenda (or perhaps the hidden agenda) Saturday.

2. Also attached, in case you have not had time to read it, is a copy of a most interesting DO report that bears directly on the subjects we discussed on Wednesday.

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Douglas J. MacEachin

Attachment:  
As Stated

Memorandum For The Record

Subject: Secretary of State's Seminar on Soviet Developments

1. As a followup to the Saturday Seminar last month, Secretary Shultz invited me to keynote a seminar on 9 July in his office on recent Soviet developments. The Secretary along with Whitehead, Armacost, Ridgeway, Nitze, Solomon, Simons and others attended. I assume this session was arranged to help prepare him for the meeting on Saturday, but no one mentioned it.
2. I led off with a 10-15 minute presentation that focused on 2 issues: his political power and continuing limitations on him; and domestic roots of Soviet foreign policy. Little time was spent on Gorbachev's successes (as everyone was very familiar with this) but more was said about the nature of the constraints he faces in the Politburo and the bureaucracy as well as on policy. I suggested that Gorbachev's economic agenda requires him to get a better handle on long term resource commitments and that this interest has led to a much more vigorous foreign policy than I initially expected. I indicated in response to Dick Solomon's question that I thought the US had some leverage here but that it is impossible to say how much unless they are pushed on it.
3. After this, the discussion ranged over a wide range of subjects: political significance of Chernobyl; economic reform and the difficulties of change; glasnost; arms control and the summit; prospects for the economy among others. The Secretary played a greater role than at the Saturday Seminar leading off the Q&As with what he called the provocative thesis that the USSR was a sick, declining system and we shouldn't do anything to help them reverse the trend. Most of those who responded took issue with the judgment that we can count on a longterm decline that will leave them unable to compete. Simons particularly sought to refute idea that some things Shultz mentioned -- health, poor construction, low standard of living for industrialized country, etc. -- were that important; while I agreed with the thrust of some of Simon's remarks, I cautioned that these and other societal concerns are more relevant now than earlier and that the regime has to be more sensitive to them than before -- and not just for reasons of economic productivity. ( I think in retrospect Shultz presented a thesis that he hears frequently in administration debates and wanted a more heated discussion on this than he got).
4. In response to Mark Parris's question about scheduling a summit, I said that in my personal view Gorbachev would not want the timing of a meeting to be close to a US decision to exceed SALT II numbers. Overall, however, the Soviets probably took the decision on SALT in stride, don't see the military equation significantly changed by it, and will probably not step up their programs dramatically for fear of undermining the political position they have built on these issues and undercutting their hopes of getting the US to change its mind. I don't know how these points went down, but no one expressed any disagreement with them.

Bob Blackwell

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### Soviet Perceptions and Reactions to the End of SALT Constraints

The Administration's decision to break with SALT II probably has little near-term impact on Soviet military planning:

--Moscow probably has been anticipating either a US disavowal of the Treaty or its expiration and already has had to take this--and the US strategic modernization program--into account to the extent possible in its military planning.

--In fact, the existing Soviet force structure and programs in development provide the USSR with the potential capability to counter much of the West's planned strategic improvements.

SDI, on the other hand, apparently did take Moscow by surprise and confronts the Soviets with far greater planning uncertainty than the direction of US strategic offensive forces which is relatively predictable in the near to mid-term, even in the absence of SALT constraints.

The Soviets appear to believe that to sustain the arms control process they can play to the sizeable domestic, congressional, and allied constituencies that support arms control.

--This consideration probably will restrain Moscow at least for the next several years from taking irreversible military steps--such as testing the SS-18 with 14 RVs--that could foreclose future arms control options. (The Soviets want to continue to count the SS-18 with 10 RVs in any future agreement.)

Although the USSR has the capacity to significantly increase the size of its strategic forces, a substantial growth in procurement for the strategic mission beyond what the Soviets currently plan would jeopardize the industrial modernization program which the new Soviet leadership has publicly made the centerpiece of its agenda.

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We believe that Gorbachev will want to continue the arms control dialogue--even if no agreement is reached--and seek a relaxation of tension in the hope of encouraging downward pressure on US defense spending and political opposition to SDI while creating a political environment favorable to his domestic economic strategy.

--He probably is not anxious to take steps that would escalate US-Soviet strategic competition.

Rather than unilaterally undertake a major expansion of their strategic forces in the absence of SALT constraints, the Soviets over the longer term probably would calibrate their military planning to their perception of the US threat.

--In particular they would watch for any new or unexpected developments in the US force--such as an expansion of the US target set or a significant increase in US warheads--that could affect their military requirements beyond the contingencies they've already planned for.

Nonetheless, should the US exceed the Treaty limits, the Soviets will take military steps in response in order to demonstrate political resolve. Their public remarks suggest that these steps will be proportionate in nature and scope to US actions and will be portrayed as necessary to maintain strategic parity.

--Moscow probably will halt the compensatory dismantlement of its older systems--the SS-11 silos, Yankee submarines, and Bison bombers--as it deploys new systems.

The fate of SALT II may have become an important factor in Moscow's strategy on the summit.

--According to

Moscow was concerned that an official US break with the Treaty just before or after the summit would embarrass Gorbachev. This concern may have prompted Moscow's call for the extraordinary session of the SCC to get further clarification of US intentions.

--The

said that the US response to the

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latest Soviet NST proposals will be of greater significance in Moscow's decision to attend the summit than the Administrations intentions to exceed SALT limits in late 1986.

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